

**THE FRIENDS OF KING SCHOOL**

**Financial Statements as of June 30, 2014 and 2013  
and for the Years Then Ended  
and Independent Auditors' Report  
and Supplementary Information**

# THE FRIENDS OF KING SCHOOL

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## THE FRIENDS OF KING SCHOOL

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Certified Public Accountants & Consultants

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
The Friends of King School  
New Orleans, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of The Friends of King School (the School) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Friends of King School as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Louisiana Revised Statute 24:514, and schedule of compensation paid to board members, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2014, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

*Gurtner Zuniga Abney, LLC*

New Orleans, Louisiana  
December 19, 2014

**THE FRIENDS OF KING SCHOOL  
STATEMENTS OF FINANCIAL POSITION  
AS OF JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 3,041,975	\$ 466,830
Restricted cash	180,697	171,723
Grants receivable	1,364,711	1,260,866
Accounts receivable	<u>47,390</u>	<u>185,465</u>
Total current assets	4,634,773	2,084,884
 EQUIPMENT, net	 <u>3,997</u>	 <u>5,196</u>
 TOTAL ASSETS	 <u><b>\$ 4,638,770</b></u>	 <u><b>\$ 2,090,080</b></u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 160,600	\$ 179,286
Accrued salaries and benefits	173,007	225,373
Funds held on behalf of others	<u>180,697</u>	<u>171,723</u>
Total current liabilities	514,304	576,382
 COMMITMENTS AND CONTINGENCIES (NOTE I)	 -	 -
 NET ASSETS		
Unrestricted	4,004,177	1,418,862
Temporarily restricted	<u>120,289</u>	<u>94,836</u>
Total net assets	<u>4,124,466</u>	<u>1,513,698</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><b>\$ 4,638,770</b></u>	 <u><b>\$ 2,090,080</b></u>

See independent auditors' report and accompanying notes to financial statements.

**THE FRIENDS OF KING SCHOOL  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES AND OTHER SUPPORT</b>			
Local sources			
Per pupil aid - MFP	\$ 6,333,890	\$ -	\$ 6,333,890
Other income	93,952	114,648	208,600
State sources			
Per pupil aid - MFP	4,364,327	-	4,364,327
State grants	361,223	-	361,223
Federal grants	2,952,978	-	2,952,978
Net assets released from restrictions	89,195	(89,195)	-
	<u>14,195,565</u>	<u>25,453</u>	<u>14,221,018</u>
<b>EXPENSES</b>			
Program expenses	7,567,299	-	7,567,299
Administrative expenses	4,042,951	-	4,042,951
	<u>11,610,250</u>	<u>-</u>	<u>11,610,250</u>
<b>CHANGE IN NET ASSETS</b>	<b>2,585,315</b>	<b>25,453</b>	<b>2,610,768</b>
<b>NET ASSETS - Beginning of year</b>	<u>1,418,862</u>	<u>94,836</u>	<u>1,513,698</u>
<b>NET ASSETS - End of year</b>	<u><b>\$ 4,004,177</b></u>	<u><b>\$ 120,289</b></u>	<u><b>\$ 4,124,466</b></u>

See independent auditors' report and accompanying notes to financial statements.

**THE FRIENDS OF KING SCHOOL**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT			
Local sources			
Per pupil aid - MFP	\$ 4,338,671	\$ -	\$ 4,338,671
Other income	270,488	-	270,488
State sources			
Per pupil aid - MFP	4,080,253	-	4,080,253
State grants	100,880	-	100,880
Federal grants	2,569,154	-	2,569,154
Net assets released from restrictions	<u>155,164</u>	<u>(155,164)</u>	<u>-</u>
Total revenues and other support	11,514,610	(155,164)	11,359,446
EXPENSES			
Program expenses	8,089,579	-	8,089,579
Administrative expenses	<u>3,784,110</u>	<u>-</u>	<u>3,784,110</u>
Total expenses	<u>11,873,689</u>	<u>-</u>	<u>11,873,689</u>
CHANGE IN NET ASSETS	<b>(359,079)</b>	<b>(155,164)</b>	<b>(514,243)</b>
NET ASSETS - Beginning of year	<u>1,777,941</u>	<u>250,000</u>	<u>2,027,941</u>
NET ASSETS - End of year	<u><b>\$ 1,418,862</b></u>	<u><b>\$ 94,836</b></u>	<u><b>\$ 1,513,698</b></u>

See independent auditors' report and accompanying notes to financial statements.



**THE FRIENDS OF KING SCHOOL  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2014**

	Program Expenses	Administrative Expenses	Total
EXPENSES			
Administrative fee	\$ -	\$ 176,845	\$ 176,845
Salaries	5,365,228	2,161,769	7,526,997
Payroll taxes	398,099	166,623	564,722
Employee benefits	394,262	166,299	560,561
Retirement fund contribution	244,976	104,592	349,568
Transportation	376,199	-	376,199
Dues and fees	-	10,272	10,272
Depreciation	-	1,199	1,199
Insurance	-	197,889	197,889
Materials and supplies	560,803	131,237	692,040
Food purchased	-	288,373	288,373
Professional services	156,344	128,245	284,589
Telephone and postage	559	74,802	75,361
Miscellaneous	11,577	147,672	159,249
Travel	59,252	54,123	113,375
Occupancy	-	233,011	233,011
	<u>\$ 7,567,299</u>	<u>\$ 4,042,951</u>	<u>\$ 11,610,250</u>

See independent auditors' report and accompanying notes to financial statements.

**THE FRIENDS OF KING SCHOOL  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2013**

	Program Expenses	Administrative Expenses	Total
EXPENSES			
Administrative fee	\$ -	\$ 166,427	\$ 166,427
Salaries	5,984,196	2,061,277	8,045,473
Payroll taxes	382,938	125,710	508,648
Employee benefits	364,531	162,409	526,940
Retirement fund contribution	379,298	136,002	515,300
Transportation	429,084	-	429,084
Dues and fees	5,038	3,440	8,478
Depreciation	-	5,180	5,180
Insurance	-	192,577	192,577
Materials and supplies	333,327	131,179	464,506
Food purchased	-	251,499	251,499
Professional services	74,109	116,684	190,793
Telephone and postage	11,805	83,490	95,295
Miscellaneous	22,335	130,896	153,231
Travel	102,918	9,163	112,081
Occupancy	-	208,177	208,177
	<u>\$ 8,089,579</u>	<u>\$ 3,784,110</u>	<u>\$ 11,873,689</u>

See independent auditors' report and accompanying notes to financial statements.

**THE FRIENDS OF KING SCHOOL  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,610,768	\$ (514,243)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,199	5,180
Changes in operating assets and liabilities:		
Restricted cash	(8,974)	(50,775)
Grants receivable	(103,845)	(519,193)
Accounts receivable	138,075	(179,784)
Accounts payable	(18,686)	(24,797)
Accrued salaries and benefits	(52,366)	147,063
Funds held on behalf of others	8,974	50,775
	<u>2,575,145</u>	<u>(1,085,774)</u>
Net cash provided by (used in) operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	<u>-</u>	<u>(5,236)</u>
	<u>-</u>	<u>(5,236)</u>
Net cash used in investing activities		
NET CHANGE IN CASH AND CASH EQUIVALENTS	<b>2,575,145</b>	<b>(1,091,010)</b>
CASH AND CASH EQUIVALENTS - Beginning of year	<u>466,830</u>	<u>1,557,840</u>
CASH AND CASH EQUIVALENTS - End of year	<u><b>\$ 3,041,975</b></u>	<u><b>\$ 466,830</b></u>

See independent auditors' report and accompanying notes to financial statements.

**THE FRIENDS OF KING SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Nature of Organization*** – The Friends of King School (the School) was granted a charter by the Louisiana State Board of Elementary and Secondary Education (BESE) in 2005 to operate a Type V public charter school d/b/a Dr. Martin Luther King, Jr. Charter School for Science and Technology (the MLK School). In 2012, the School was granted by BESE a charter to operate an additional Type V public charter school d/b/a Joseph A. Craig Elementary School (the Craig School). The School seeks to provide educational services according to the educational standards established by law, the charter contract and the charter application/proposal; measures pupil progress toward stated goals; and participates in pupil assessment required by law, regulation and BESE policy. The School serves eligible students in pre-kindergarten through twelfth grade in New Orleans, Louisiana.

The mission of the School is to create and maintain an orderly, trusting environment where teaching and learning are innovative and exciting; where students are taught to read, write, compute, and think critically according to their fullest potential.

On July 1, 2011, the School's operating agreement renewal with the Louisiana Board of Elementary and Secondary Education (BESE) went into effect. This allows the School to use the facilities and contents located at 1617 Caffin Avenue, New Orleans, Louisiana 70117, or any other locations that may be approved by the School and BESE. This agreement will expire on June 30, 2015 and may be renewed at the option of BESE. The School pays the Recovery School District (RSD) an administrative fee amounting to 2% of all Minimum Foundation Program (MFP) revenue received.

On July 1, 2012, the School entered into an operating agreement with BESE which allows the School to use the facilities and contents located at 1423 St. Philip Street, New Orleans, Louisiana 70116, or any other locations that may be approved by the School and BESE. This agreement will expire on June 30, 2016 and may be renewed at the option of BESE. The School pays RSD on behalf of the Craig School, an administrative fee amounting to 2% of all MFP revenue received.

The School is responsible for all necessary maintenance to ensure that the facilities comply with all state and local health and safety standards and other applicable laws, regulations, and rules. Assets purchased with public funds or obtained from public sources will automatically revert to the full ownership of BESE at the time the agreement is terminated. The School must maintain records of any assets acquired with private funds that will remain the property of the School.

Use of the property and equipment is not recorded as an in-kind contribution from BESE as the value of the use of the land and building is not readily determinable. The agreement is classified as an exchange transaction because both parties receive significant value from this arrangement. Accordingly, the present value of the benefit to be received in future years has not been recorded.

***Financial Statement Presentation*** – The accompanying financial statements of the School have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**THE FRIENDS OF KING SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013**

The School follows the guidance of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205 *Not-For-Profit Entities: Presentation of Financial Statements*. Under FASB ASC 958-205, the School is required to report information regarding its financial position and activities in three classes of net assets:

*Unrestricted Net Assets* – Net assets not subject to donor-imposed restrictions.

*Temporarily Restricted Net Assets* – Net assets subject to donor-imposed restrictions that will be met by the actions of the School or the passage of time.

*Permanently Restricted Net Assets* – Net assets subject to donor-imposed restrictions that are required to be maintained permanently by the School. Generally, the donors of these assets stipulate that the income earned on related investments should be used for specific purposes. At June 30, 2014 and 2013, the School had no permanently restricted net assets.

In addition, the School is required to present a statement of cash flows.

*Use of Estimates* – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Cash and Cash Equivalents* – For purposes of the statements of cash flows, the School considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

*Accounts and Grants Receivable* – Accounts and grants receivable are stated at the amount management expects to collect from outstanding balances. The financial statements do not include an estimate for allowance for doubtful accounts. Management believes that all receivables are collectible.

*Promises to Give* – Contributions are recognized when the donor makes a promise to give to the School that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

All promises to give are recognized as assets and revenues. The School had no promises to give as of June 30, 2014 and 2013.

*Equipment* – All acquisitions of equipment in excess of \$5,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially extend the useful lives of assets are capitalized. Equipment is stated at cost or fair value at the date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of 5 to 7 years for equipment. Normal building maintenance and minor equipment purchases are included as repairs and maintenance expenses of the School.

**THE FRIENDS OF KING SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013**

Donations of equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific use.

***Compensated Absences*** – All 10 month employees accrue 10 days of sick leave each year. All 12 month employees accrue 10 days of sick leave and 10 days of vacation pay. Any unused vacation days are paid in the subsequent year. Upon termination, the School does not compensate employees for unused sick or vacation days.

***Contributions and Revenue Recognition*** – Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is recognized as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions. Contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Revenues from federal and state grants are recorded when the School has a right to reimbursement under the related grant, generally corresponding to the incurring of grant-related costs by the School, or when earned under the terms of the grants.

***Public Support and Revenue*** – The School's primary source of funding is through the Minimum Foundation Program (MFP) funded by the State Public School Fund and the Board of Elementary and Secondary Education (BESE). The School, as a Type V charter school, receives \$3,520 from the State of Louisiana (the State) and \$4,668 from BESE per eligible student in attendance at the official pupil count date of October 1<sup>st</sup> each year. MFP revenue accounts for 75% and 74% of the School's total support for the years ended June 30, 2014 and 2013, respectively. State and federal grants are on a cost reimbursement basis and account for 23% and 24% of the School's total support for the years ended June 30, 2014 and 2013, respectively.

***Donated Equipment, Services and Materials*** – Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. For the years ended June 30, 2014 and 2013, there were no non-cash contributions.

The School received rent-free use of a school building from the Recovery School District (RSD) and also the use of furniture and equipment rent-free. The estimated value of the use of the building and furniture/equipment was not readily determinable and no amounts have been recorded in the accompanying financial statements.

***Fundraising Expenses*** – All expenses associated with fundraising activities are expensed as incurred, including those expenses related to fundraising appeals in a subsequent year.

**THE FRIENDS OF KING SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013**

**Functional Expenses** – The costs of providing the various programs and other activities are summarized in the statements of functional expenses. Certain expenses have been allocated among the programs and supporting services based on management’s estimate of the costs involved.

**Income Taxes** – The School has received a tax-exempt ruling under section 501(c)(3) from the Internal Revenue Service and, accordingly, is not subject to federal income tax unless the School has unrelated trade or business income. Management believes there are no uncertain tax positions included in the financial statements. As of June 30, 2014, the School had three years of tax returns open for review by the IRS. Years open include 2011, 2012, and 2013 and are included within the 3 year statute of limitations for IRS review. The School has not yet filed the tax return for the year ended June 30, 2014.

**NOTE B – CONCENTRATION OF CREDIT RISK**

The School maintains cash accounts at a local financial institution. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2014 and 2013, cash deposits in excess of FDIC insured limits were \$3,392,530 and \$983,010, respectively. The School has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

**NOTE C – EQUIPMENT**

Equipment consisted of the following as of June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Equipment	\$ 33,659	\$ 33,659
Accumulated depreciation	<u>(29,662)</u>	<u>(28,463)</u>
Total equipment, net	<u>\$ 3,997</u>	<u>\$ 5,196</u>

Depreciation expense for the years ended June 30, 2014 and 2013 totaled \$1,199 and \$5,180, respectively.

**NOTE D – GRANTS RECEIVABLE**

The School received various state and federal grants to fund programs and operations. The grants are on a cost reimbursement basis and grants receivable at year-end are stated at unpaid balances for expenditures incurred during the year.

**THE FRIENDS OF KING SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013**

**NOTE E – FUNDS HELD ON BEHALF OF OTHERS**

The School acts as a custodian for student activity bank accounts. Funds held on behalf of these groups amounted to \$180,697 and \$171,723 at June 30, 2014 and 2013, respectively, and are reported as both an asset (restricted cash) and a liability (funds held on behalf of others). Consequently, there is no effect on the School's net assets.

**NOTE F – LINE OF CREDIT**

The School maintains a \$300,000 unsecured line of credit with a local financial institution, which bears interest at the lender's prime rate, and matures December 19, 2015. At June 30, 2014 and 2013, the School had no outstanding borrowings under the line of credit.

**NOTE G – RETIREMENT PLANS**

Employees of the School participate in two statewide retirement systems. In general, professional employees (such as teachers and principals) and members of the Teachers' Retirement System of Louisiana; other employees, such as custodial personnel, are members of the Louisiana School Employees' Retirement System. These systems are cost sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

*Teachers' Retirement System of Louisiana (TRSL)*

The TRSL provides retirement benefits as well as disability and survivor benefits to eligible participants. The TRSL issues a publicly available financial report and includes financial statements and required supplementary information for the TRSL. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, LA 70804-9123, or by calling (225) 925-6446.

Participants vest immediately in employee contributions to the plan. Retirement benefits vest after five years of service if the employee reaches age sixty; otherwise, benefits vest after twenty years of service. Benefits are established and amended by state statute. Upon retirement, participants may select from various retirement payment options.

Participants are required to contribute to the plan 8.0% of their annual covered payroll. For the year ended June 30, 2013, the School is required to contribute 24.5%, of the annual covered payroll of each participating employee. These contribution levels are established by law and set by the Public Retirement Systems Actuarial Committee (the System). For the year ended June 30, 2013, contributions to the plan totaled \$281,614, and are included in retirement fund contribution on the statements of functional expenses.



**THE FRIENDS OF KING SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013**

*Louisiana School Employees' Retirement System (LSERS)*

Plan Description – The LSERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The LSERS issues a publicly available financial report that includes financial statements and required supplementary information for the LSERS. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 44516, Baton Rouge, LA 70804, or by calling (225) 925-6484.

Funding Policy – Effective July 1, 2010, plan members new to LSERS are required to contribute 8.0% and plan members prior to July 1, 2010 are required to contribute 7.5% of their annual covered salary, and the School is required to contribute at an actuarially determined rate. The rate was 32.3% and 30.8% of annual eligible covered payroll for the years ended June 30, 2014 and 2013. Member contributions and employer contributions for the LSERS are established by state law, and rates are established by the Public Retirement System's Actuarial Committee. The Institute's employer contribution for the LSERS is funded by the State of Louisiana through annual appropriations.

The School's contributions to the LSERS for the year ended June 30, 2014 and 2013 were \$8,828 and \$30,763, respectively; equal to the required contributions for this year.

Effective October 8, 2012, after receiving approval from BESE, the School withdrew from TRSL. Henceforth, the School is no longer participating in the Teachers' Retirement System of Louisiana (TRSL).

Effective September 1, 2012, the School began sponsoring a defined contribution plan (the 403(b) Plan) covering all employees who agree to make contributions to the Plan. The School may elect to make discretionary contributions to the Plan each year. Total expense for the year ended June 30, 2014 and 2013, was \$307,491 and \$202,923, respectively.

During August 2013, the School withdrew from LSERS. Henceforth, the School is no longer participating in the Louisiana School Employees' Retirement System (LSERS). The sole retirement option offered to those employed at the School is a 403(b) retirement plan.

**THE FRIENDS OF KING SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013**

**NOTE H – GRANT REVENUES**

For the years ended June 30, 2014 and 2013, federal grant revenues consisted of the following:

	<u>2014</u>	<u>2013</u>
Title I	\$ 663,736	\$ 693,146
Title II	124,696	128,247
21 <sup>st</sup> Century	412,087	-
Temporary Assistance for Needy Families	259,983	276,193
LA 4 – CDBG	6,755	245,663
IDEA B	205,257	187,900
Food Service	806,240	629,786
Investment in Innovation Fund	450,899	358,399
Other federal grants	23,325	49,820
Total	<u>\$ 2,952,978</u>	<u>\$ 2,569,154</u>

For the years ended June 30, 2014 and 2013, state grant revenues consisted of the following:

	<u>2014</u>	<u>2013</u>
LA 4	\$ 278,784	\$ 50,765
Professional Improvement Program	30,155	32,759
Education Excellence	8,636	10,980
8(g)	8,547	5,114
Other state grants	35,101	1,262
Total	<u>\$ 361,223</u>	<u>\$ 100,880</u>

**NOTE I – COMMITMENTS AND CONTINGENCIES**

The School is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. There were no settled claims that exceeded this commercial coverage for the years ended June 30, 2014 and 2013.

The School has employment contracts with all employees. The 9 month contracts for the 2013-2014 school year expired May 16, 2014. The 12 month contracts for the 2013-2014 school year expired June 30, 2014. All contracts provide for a minimum annual salary and other benefits.

The School is a recipient of federal and state grants. The grants are governed by various federal and state guidelines, regulations, and contractual agreements. The administration of the programs and activities funded by these grants are under the control and administration of the School and are subject to audit and/or review by the federal or state grantor. Any grant funds found to be not properly spent in

**THE FRIENDS OF KING SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013**

accordance with the terms, conditions, and regulations of the Federal and State agencies may be subject to recapture.

**NOTE J – SUBSEQUENT EVENTS**

On December 9, 2014, the Board of Directors voted unanimously to return the MLK School to the Orleans Parish school system. Upon approval of OPSB (Orleans Parish School Board) and BESE, the MLK School would be under OPSB authority effective July 1, 2015.

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 19, 2014, and determined that no other events occurred that require disclosure. No subsequent events occurring after that date have been evaluated for inclusion of these financial statements.

## **SUPPLEMENTARY INFORMATION**

**THE FRIENDS OF KING SCHOOL  
SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Compensation</u>
Hilda W. Young, President 1441 N. Galvez St. New Orleans, LA 70119	\$ -0-
George Rabb, CPA, Treasurer 10320 Deerfield Dr. New Orleans, LA 70127	-0-
Sandra Monroe 4434 Touro St. New Orleans, LA 70122	-0-
Cora Charles, Secretary 6417 Lauren Dr. Slidell, LA 70460	-0-
Dr. Gail Armant 7511 Spring Lake Dr. New Orleans, LA 70126	-0-
Kenya Rounds, Esq. 2475 Canal St., Ste. 200 New Orleans, LA 70119	-0-
Dr. Eartha Lee Johnson 4319 South Tonti St. New Orleans, LA 70125	-0-
Thelma Ruth 3536 Louisiana Ave. Pkwy New Orleans, LA 70125	-0-

See independent auditors' report.

## **OTHER INDEPENDENT AUDITORS' REPORTS**



Certified Public Accountants & Consultants

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
The Friends of King School  
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Friends of King School (the School) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated December 19, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Gurtner Zuniga Albey, LLC*

New Orleans, Louisiana  
December 19, 2014





Certified Public Accountants & Consultants

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Directors of  
The Friends of King School  
New Orleans, Louisiana

**Report on Compliance for Each Major Federal Program**

We have audited The Friends of King School's (the School) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2014. The School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the School's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

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## Report on Internal Control Over Compliance

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Gurtner Zuniga Abney, LLC*

New Orleans, Louisiana  
December 19, 2014

**THE FRIENDS OF KING SCHOOL  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2014**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Federal Expenditures
United States Department of Education		
Pass-through the Louisiana Department of Education		
Title I Part A-Improving the Academic Achievement of the Disadvantaged	84.010A	\$ 663,736
Title II Part A-Teacher and Principal Training and Recruiting	84.367A	124,696
Individuals with Disabilities Education Act (IDEA) Part B	84.027A	205,257
Individuals with Disabilities Education Act (IDEA) Preschool	84.173A	2,548
Career and Technical Education - Basic Grants to States	84.048	20,777
Twenty-First Century Community Learning Centers	84.287	412,087
Pass-through the New Schools for New Orleans		
ARRA-Investment in Innovation Fund (i3)	84.411B	450,899
United States Department of Health and Human Services		
Pass-through the Louisiana Department of Education		
The Cecil J. Picard LA 4 Early Childhood Program (CDBG)	14.228	6,755
Temporary Assistance for Needy Families	93.558	259,983
United States Department of Agriculture		
Pass-through the Louisiana Department of Education		
National School Lunch Program	10.555	806,240
Total expenditures of federal awards		<b><u>\$ 2,952,978</u></b>

**Notes to Schedule of Expenditures of Federal Awards**

**Note 1 – Summary of Significant Accounting Policies**

***Basis of Presentation*** – This schedule includes the federal grant activity of The Friends of King School (the School) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

***Accrued Reimbursement*** – Various reimbursement procedures are used for federal awards received by the School. Consequently, timing differences between expenditures and program reimbursements exist at the end of the year.

See independent auditors' report.

**THE FRIENDS OF KING SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**Section I - Summary of Auditors' Results**

Financial Statements

Type of auditors' report issued:	Unmodified		
Internal control over financial reporting:			
Material weaknesses identified?	_____ yes	X	no
Significant deficiencies identified not considered to be material weaknesses?	_____ yes	X	none reported
Noncompliance material to financial statements noted?	_____ yes	X	no

Federal Awards

Internal control over major programs:			
Material weaknesses identified?	_____ yes	X	no
Significant deficiencies identified not considered to be material weaknesses?	_____ yes	X	none reported
Type of auditors' report issued on compliance for major programs:	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510 (a)?	_____ yes	X	no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.287	Twenty-First Century Community Learning Centers
84.411B	ARRA-Investment in Innovation Fund (i3)

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk audit?	X yes _____ no

**THE FRIENDS OF KING SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**Section II – Findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards***

None noted.

**Section III – Findings and questioned costs for federal awards under OMB Circular A-133 §510(a)**

None noted.

**Section IV – Other Matter**

**Alleged Ethics Violations**

In October 2014, the Louisiana State Board of Ethics filed charges alleging that the School's CEO and three additional employees violated the Louisiana Code of Governmental Ethics (La R.S. 42). According to La. R.S. 17:3996(B)(20), the School is subject to the Louisiana Code of Governmental Ethics (specifically as it relates to the hiring of immediate family members) because Friends of King, Inc. agreed in its charter contract to comply with the terms of the code.. If found to be in violation of the State ethics laws, it could result in fines/penalties assessed against the employees. As well as the pending administrative charges, the federal grant agreement for CFDA 84.287 Twenty-First Century Community Learning Centers includes a provision stating that a violation of La R.S. 42:1113, Prohibited Contractual Arrangements, shall be grounds for termination of the contract. There are no charges against Friends of King, Inc. or Friends of King School District and, therefore, no fines could be assessed against those entities. It is uncertain at this time what effect this matter will have on the financial statements and on the Twenty-First Century Community Learning Centers grant as no other claims have been filed.

**THE FRIENDS OF KING SCHOOL  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2014**

**Section II – Findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards***

No prior year findings or questioned costs noted.

**Section III – Findings and questioned costs for federal awards under OMB Circular A-133 §510(a)**

No prior year findings or questioned costs noted.

**SCHEDULES REQUIRED BY STATE LAW  
(R.S. 24:514 – PERFORMANCE AND STATISTICAL DATA)**



Certified Public Accountants & Consultants

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors  
The Friends of King School  
New Orleans, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of The Friends of King School and the Legislative Auditor, State of Louisiana (the specified parties), solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of The Friends of King School and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. Management of The Friends of King School is responsible for its performance and statistical data. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and applicable provisions of *Government Auditing Standards* published by the United States Comptroller General. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

**General Fund Instructional and Support Expenditures and Certain Local Revenue Sources  
(Schedule 1)**

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
  - Total General Fund Instructional Expenditures
  - Total General Fund Equipment Expenditures
  - Total Local Taxation Revenue
  - Total Local Earnings on Investment in Real Property
  - Total State Revenue in Lieu of Taxes
  - Nonpublic Textbook Revenue
  - Nonpublic Transportation Revenue

Findings: None noted.

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### **Education Levels of Public School Staff (Schedule 2)**

2. We reconciled the total number of full-time classroom teachers per the schedule “Experience of Public Principals and Full-time Classroom Teachers” (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1.

Findings: None noted.

3. We reconciled the combined total of principals and assistant principals per the schedule “Experience of Public Principals and Full-time Classroom Teachers” (Schedule 4) to the combined total of principals and assistant principals per this schedule.

Findings: None noted.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule. We traced a random sample of 5 teachers to the individual’s personnel file and determine if the individual’s education level was properly classified on the schedule.

Findings: None noted.

### **Number and Type of Public Schools (Schedule 3)**

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

Findings: None noted.

### **Experience of Public Principals, Assistant Principals, and Full-Time Classroom Teachers (Schedule 4)**

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule and traced the same sample used in procedure 4 to the individual’s personnel file and determined if the individual’s experience was properly classified on the schedule.

Findings: None noted.

### **Public School Staff Data (Schedule 5)**

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 5 teachers to the individual’s personnel file and determined if the individual’s salary, extra compensation, and full-time equivalents were properly included on the schedule.

Findings: None noted.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

Findings: None noted.

**Class Size Characteristics (Schedule 6)**

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1 roll books for those classes and determined if the class was properly classified on the schedule.

Findings: None noted.

**Louisiana Educational Assessment Program (LEAP) (Schedule 7)**

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by The Friends of King School.

Findings: None noted.

**Graduation Exit Exam (Schedule 8)**

11. Information is not applicable for 2013, and is shown for historical purposes

Findings: None noted.

**iLEAP Test Results (Schedule 9)**

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by The Friends of King School.

Findings: None noted.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the performance and statistical data accompanying the annual financial statements of The Friends of King School. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of The Friends of King School, the Board of Directors, the Louisiana Department of Education, and the Legislative Auditor, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Gurtner Zuniga Abney, LLC*

New Orleans, Louisiana  
December 19, 2014

**THE FRIENDS OF KING SCHOOL  
SCHEDULES REQUIRED BY STATE LAW  
(R.S. 24:514 – PERFORMANCE AND STATISTICAL DATA)  
FOR THE YEAR ENDED JUNE 30, 2014**

**Schedule 1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources**

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and non-public textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

**Schedule 2 - Education Levels of Public School Staff**

This schedule includes the certificated and uncertificated number and percentage of full-time classroom teachers and the number and percentage of principals and assistant principal's with less than a Bachelor's; Master's; Master's +30; Specialist in Education; and Ph.D. or Ed.D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 3 - Number and Type of Public Schools**

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 4 - Experience of Public Principal, Assistant Principal and Full-time Classroom Teachers**

This schedule includes the number of years of experience in teaching for assistant principals, principals, and full-time classroom teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 5 - Public School Staff Data**

This schedule includes average classroom teachers' salary using full-time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 6 - Class Size Characteristics**

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students. This data is currently reported to the Legislature in the Annual School Report (ASR).

**Schedule 7 - Louisiana Educational Assessment Program (LEAP)**

This schedule represents student performance testing data and includes summary scores by district for grades 4 and 8 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

**Schedule 8 - The Graduation Exit Exam (GEE)**

This schedule represents student performance testing data and includes summary scores by district for grades 10 and 11 in each category tested. Scores are reported as Advances, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

**Schedule 9 - The iLEAP Tests**

This schedule represents student performance testing data and includes a summary score for grades 3, 5, 6, and 7 for each district. The summary score reported is the Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the state. This schedule includes one period of data.

**THE FRIENDS OF KING SCHOOL**  
**SCHEDULE 1 - GENERAL FUND INSTRUCTIONAL AND SUPPORT**  
**EXPENDITURES AND CERTAIN LOCAL REVENUE SOURCES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**General Fund Instructional and Equipment Expenditures**

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 3,499,844	
Other Instructional Staff Salaries	11,396	
Employee Benefits	819,223	
Purchased Professional and Technical Services	41,814	
Instructional Materials and Supplies	304,670	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	<u>4,676,947</u>	4,676,947

Other Instructional Activities	67,799	67,799
--------------------------------	--------	--------

Pupil Support Services	237,692	
Less: Equipment for Pupil Support Services	<u>-</u>	
Net Pupil Support Services		237,692

Instructional Staff Services	203,553	
Less: Equipment for Instructional Staff Services	<u>-</u>	
Net Instructional Staff Services		203,553

School Administration	837,215	
Less: Equipment for School Administration	<u>-</u>	
Net School Administration		<u>837,215</u>

Total General Fund Instructional Expenditures		<u><b>\$ 6,023,206</b></u>
---	--	----------------------------

Total General Fund Equipment Expenditures		<u><u>\$ -</u></u>
---	--	--------------------

See independent accountants' report on applying agreed-upon procedures.

**THE FRIENDS OF KING SCHOOL**  
**SCHEDULE 2 - EDUCATION LEVELS OF PUBLIC SCHOOL STAFF**  
**AS OF OCTOBER 1, 2013**

Category	Full Time Classroom Teachers				Principals and Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	-	-	-	-	-	-	-	-
Bachelor's Degree	46	65%	-	-	-	-	-	-
Master's Degree	19	27%	-	-	1	33%	-	-
Master's Degree + 30	6	8%	-	-	-	-	-	-
Specialist in Education	-	-	-	-	-	-	-	-
Ph. D or Ed. D	-	-	-	-	2	67%	-	-
Total	71	100%	-	-	3	100%	-	-

See independent accountants' report on applying agreed-upon procedures.

**THE FRIENDS OF KING SCHOOL  
SCHEDULE 3 - NUMBER AND TYPE OF PUBLIC SCHOOLS  
FOR THE YEAR ENDED JUNE 30, 2014**

Type	Number
Elementary	1
Middle/Jr. High	-
Secondary	-
Combination	1
TOTAL	2

See independent accountants' report on applying agreed-upon procedures.

**THE FRIENDS OF KING SCHOOL**  
**SCHEDULE 4 - EXPERIENCE OF PUBLIC PRINCIPALS, ASSISTANT**  
**PRINCIPALS AND FULL-TIME CLASSROOM TEACHERS**  
**AS OF OCTOBER 1, 2013**

	0-1 Yr	2-3 Yrs	4-10 Yrs	11-14 Yrs	15-19 Yrs	20-24 Yrs	25+ Yrs	TOTAL
Assistant Principals	-	-	-	-	-	-	-	-
Principals	-	-	-	-	-	-	3	3
Classroom Teachers	8	10	12	10	6	8	17	71
TOTAL	8	10	12	10	6	8	20	74

See independent accountants' report on applying agreed-upon procedures.

**THE FRIENDS OF KING SCHOOL  
SCHEDULE 5 - PUBLIC SCHOOL STAFF DATA  
FOR THE YEAR ENDED JUNE 30, 2014**

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers Salary Including Extra Compensation	\$47,600	\$46,062
Average Classroom Teachers Salary Excluding Extra Compensation	\$47,600	\$46,062
Number of Teacher Full-Time Equivalents (FTEs) used in Computation of Average Salaries	71.00	51.00

**Note:** Figures reported include all sources of funding (i.e., federal, state, and local) but exclude stipends and employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (e.g., extended medical leave); and ROTC teachers usually receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

See independent accountants' report on applying agreed-upon procedures.



**THE FRIENDS OF KING SCHOOL**  
**SCHEDULE 6 - CLASS SIZE CHARACTERISTICS**  
**AS OF OCTOBER 1, 2013**

SCHOOL TYPE	CLASS SIZE RANGE							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	26%	20	42%	33	14%	11	18%	14
Elementary Activity Classes	-	-	-	-	100%	1	-	-
Middle	-	-	-	-	-	-	-	-
Middle Activity Classes	-	-	-	-	-	-	-	-
High	-	-	-	-	-	-	-	-
High Activity Classes	-	-	-	-	-	-	-	-
Combination	28%	54	50%	97	11%	22	11%	21
Combination Activity Classes	20%	6	50%	15	30%	9	0%	-

See independent accountants' report on applying agreed-upon procedures.

**THE FRIENDS OF KING SCHOOL**  
**SCHEDULE 7 - LOUISIANA EDUCATION ASSESSMENT PROGRAM (LEAP)**  
**FOR THE YEAR ENDED JUNE 30, 2014**

District Achievement Level Results	English Language Arts						Mathematics					
	2014		2013		2012		2014		2013		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	0	0%	5	5%	1	2%	7	7%	4	4%	0	0%
Mastery	29	31%	13	12%	18	29%	36	38%	15	14%	24	39%
Basic	46	48%	55	50%	34	55%	40	43%	50	46%	30	49%
Approaching Basic	12	13%	24	22%	5	8%	8	9%	19	17%	4	6%
Unsatisfactory	8	8%	12	11%	4	6%	3	3%	21	19%	4	6%
Total	95	100%	109	100%	62	100%	94	100%	109	100%	62	100%

District Achievement Level Results	Science						Social Studies					
	2014		2013		2012		2014		2013		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	0	0%	0	0%	3	5%	1	1%	0	0%	0	0%
Mastery	10	11%	9	8%	6	10%	14	15%	5	5%	9	14%
Basic	42	44%	41	38%	27	43%	56	60%	54	50%	34	55%
Approaching Basic	30	32%	34	32%	23	37%	16	17%	28	26%	13	21%
Unsatisfactory	12	13%	23	22%	3	5%	7	7%	20	19%	6	10%
Total	94	100%	107	100%	62	100%	94	100%	107	100%	62	100%

District Achievement Level Results	English Language Arts						Mathematics					
	2014		2013		2012		2014		2013		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	3	4%	1	2%	0	0%	0	0%	0	0%	0	0%
Mastery	5	7%	8	10%	8	21%	1	2%	0	0%	1	3%
Basic	39	56%	34	44%	22	58%	31	43%	38	48%	29	76%
Approaching Basic	23	33%	27	35%	8	21%	19	29%	25	34%	7	18%
Unsatisfactory	0	0%	7	9%	0	0%	19	26%	14	18%	1	3%
Total	70	100%	77	100%	38	100%	70	100%	77	100%	38	100%

District Achievement Level Results	Science						Social Studies					
	2014		2013		2012		2014		2013		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	0	0%	0	0%	1	3%	0	0%	0	0%	0	0%
Mastery	2	3%	2	3%	3	8%	7	10%	2	3%	4	11%
Basic	35	50%	32	42%	21	55%	44	63%	42	54%	26	68%
Approaching Basic	26	37%	31	41%	13	34%	19	27%	22	30%	7	18%
Unsatisfactory	7	10%	11	14%	0	0%	0	0%	11	13%	1	3%
Total	70	100%	76	100%	38	100%	70	100%	77	100%	38	100%

See independent accountants' report on applying agreed-upon procedures.

**THE FRIENDS OF KING SCHOOL  
SCHEDULE 8 - THE GRADUATION EXIT EXAM (GEE)  
FOR THE YEAR ENDED JUNE 30, 2014**

District Achievement Level Results	English Language Arts						Mathematics					
	2014		2013		2012		2014		2013		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Proficient	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

  

District Achievement Level Results	Science						Social Studies					
	2014		2013		2012		2014		2013		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	N/A	N/A	N/A	N/A	0	0%	N/A	N/A	N/A	N/A	0	0%
Proficient	N/A	N/A	N/A	N/A	3	8%	N/A	N/A	N/A	N/A	0	0%
Basic	N/A	N/A	N/A	N/A	20	51%	N/A	N/A	N/A	N/A	27	69%
Approaching Basic	N/A	N/A	N/A	N/A	14	36%	N/A	N/A	N/A	N/A	8	21%
Unsatisfactory	N/A	N/A	N/A	N/A	2	5%	N/A	N/A	N/A	N/A	4	10%
Total	N/A	N/A	N/A	N/A	39	100%	N/A	N/A	N/A	N/A	39	100%

See independent accountants' report on applying agreed-upon procedures.

**THE FRIENDS OF KING SCHOOL  
SCHEDULE 9 - iLEAP TEST RESULTS  
FOR THE YEAR ENDED JUNE 30, 2014**

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2014		2013		2012		2014		2013		2012		2014		2013		2012		2014		2013		2012	
Students	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 3																								
Advanced	3	3%	8	9%	0	0%	6	5%	4	5%	1	1%	0	0%	1	1%	1	1%	0	0%	1	1%	0	0%
Mastery	18	15%	14	16%	19	27%	18	15%	26	30%	10	14%	15	13%	12	14%	8	11%	8	7%	11	13%	4	6%
Basic	61	51%	42	49%	24	35%	54	45%	37	43%	38	55%	40	33%	41	48%	35	50%	61	51%	38	44%	39	56%
Approaching Basic	17	14%	13	15%	19	27%	22	19%	7	8%	11	16%	42	35%	23	27%	18	26%	27	22%	23	27%	18	26%
Unsatisfactory	21	17%	9	11%	8	11%	19	16%	12	14%	10	14%	23	19%	9	10%	8	12%	24	20%	13	15%	9	12%
Total	120	100%	86	100%	70	100%	119	100%	86	100%	70	100%	120	100%	86	100%	70	100%	120	100%	86	100%	70	100%

  

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2014		2013		2012		2014		2013		2012		2014		2013		2012		2014		2013		2012	
Students	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 5																								
Advanced	1	1%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Mastery	9	10%	14	18%	4	7%	8	8%	2	3%	2	4%	4	4%	5	6%	3	5%	2	2%	1	1%	0	0%
Basic	35	37%	43	53%	36	63%	60	63%	37	45%	31	54%	34	36%	33	42%	20	35%	34	36%	37	46%	23	40%
Approaching Basic	26	28%	14	18%	14	25%	14	15%	27	34%	13	23%	32	34%	25	31%	26	46%	30	31%	27	34%	16	28%
Unsatisfactory	23	24%	9	11%	3	5%	13	14%	14	18%	11	19%	25	26%	17	21%	8	14%	30	31%	15	19%	18	32%
Total	94	100%	80	100%	57	100%	95	100%	80	100%	57	100%	95	100%	80	100%	57	100%	96	100%	80	100%	57	100%

(Continued)

See independent accountants' report on applying agreed-upon procedures.

**THE FRIENDS OF KING SCHOOL  
SCHEDULE 9 - iLEAP TEST RESULTS  
FOR THE YEAR ENDED JUNE 30, 2014**

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2014		2013		2012		2014		2013		2012		2014		2013		2012		2014		2013		2012	
Students	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 6																								
Advanced	1	1%	1	1%	1	2%	2	2%	1	1%	1	2%	0	0%	1	1%	0	0%	2	2%	1	1%	3	6%
Mastery	10	10%	9	11%	9	19%	3	3%	5	6%	5	10%	1	1%	2	2%	3	6%	3	3%	4	5%	6	12%
Basic	32	33%	45	52%	33	67%	40	41%	42	49%	28	57%	30	31%	26	31%	23	47%	34	35%	30	35%	17	35%
Approaching Basic	31	32%	23	27%	6	12%	22	23%	18	21%	9	19%	43	44%	37	43%	18	37%	29	30%	32	37%	15	31%
Unsatisfactory	23	24%	8	9%	0	0%	30	31%	20	23%	6	12%	23	24%	20	23%	5	10%	29	30%	19	22%	8	16%
Total	97	100%	86	100%	49	100%	97	100%	86	100%	49	100%	97	100%	86	100%	49	100%	97	100%	86	100%	49	100%

  

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2014		2013		2012		2014		2013		2012		2014		2013		2012		2014		2013		2012	
Students	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 7																								
Advanced	1	1%	2	1%	0	0%	0	0%	1	1%	0	0%	0	0%	1	1%	0	0%	1	1%	0	0%	0	0%
Mastery	5	6%	12	15%	8	16%	1	1%	3	4%	3	6%	1	1%	7	9%	5	10%	3	3%	4	4%	5	10%
Basic	35	39%	37	45%	34	67%	48	53%	39	48%	34	66%	28	32%	25	30%	23	45%	31	34%	38	46%	26	51%
Approaching Basic	29	32%	20	24%	9	17%	23	26%	24	29%	11	22%	39	43%	33	40%	22	43%	25	29%	19	23%	13	25%
Unsatisfactory	20	22%	12	15%	0	0%	18	20%	15	18%	3	6%	22	24%	17	20%	1	2%	30	33%	22	27%	7	14%
Total	90	100%	83	100%	51	100%	90	100%	82	100%	51	100%	90	100%	83	100%	51	100%	90	100%	83	100%	51	100%

(Concluded)

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